

VZCZCXRO1548
PP RUEHROV RUEHTRO
DE RUEHKH #1390/01 2561115
ZNY CCCCC ZZH
P 121115Z SEP 08
FM AMEMBASSY KHARTOUM
TO RUEHC/SECSTATE WASHDC PRIORITY 1889
INFO RUCNFUR/DARFUR COLLECTIVE PRIORITY
RUCNIAD/IGAD COLLECTIVE PRIORITY
RUEHGG/UN SECURITY COUNCIL COLLECTIVE PRIORITY
RHMFISS/CJTF HOA PRIORITY

C O N F I D E N T I A L SECTION 01 OF 03 KHARTOUM 001390

SIPDIS

DEPT FOR AF A/S FRAZER, AF/SPG, SE WILLIAMSON, EEB/IFD
NSC FOR PITTMAN AND HUDSON
DEPT PLEASE PASS USAID FOR AFR/SUDAN
DEPT PLEASE PASS TREASURY FOR OIA
ADDIS ABABA ALSO FOR USAU

E.O. 12958: DECL: 09/10/2018
TAGS: [PREL](#) [PGOV](#) [ECON](#) [EFIN](#) [KPKO](#) [UNSC](#) [SU](#)
SUBJECT: INFLUENTIAL NCP STRATEGIST CALLS FOR SERIOUS
USG-SUDAN DISCUSSION ON AN "ICC PACKAGE"

REF: A. KHARTOUM 1372
[1](#)B. KHARTOUM 1034

Classified By: Charge d'Affaires Alberto M. Fernandez, reasons 1.4(b) and (d)

SUMMARY

1.(C) NCP intellectual and party strategist Sayed Al-Khateeb asked CDA Fernandez on 8 September for serious USG-GoS discussions on a package of actions that the GoS could implement in order to convince the USG not to veto a likely UNSCR for a suspension of the expected ICC indictment of President Al-Bashir. According to Al-Khateeb, public GoS threats to freeze the CPA and eject UNAMID peacekeepers is only tough talk. Al-Khateeb suggested that the SPLM is more likely than the NCP to abrogate the CPA, if that agreement is linked to a indicted president Al-Bashir and his beleaguered regime. Al-Khateeb also expressed concern about the failure of the Bank of Southern Sudan (BOSS) to transfer its foreign exchange reserves to the Bank of Sudan (BOS) and he informed CDA Fernandez that until these transfers are made in full, the BOS will deduct the untransferred amount from its regular foreign cash and local currency transfers to Juba. End Summary.

WHAT WILL HAPPEN IF THE ICC INDICTS?

[1](#)2. (C) In a meeting with shrewd NCP intellectual and Director of the Center for Strategic Studies Sayed Al-Khateeb on 8 September, Charge Fernandez asked Al-Khateeb's opinion on how credible are persistent but vague GoS threats to kick out UNAMID peacekeepers from Darfur and freeze the CPA (ref A) if an ICC arrest warrant for GNU President Al-Bashir is issued. CDA Fernandez said he is concerned that the CPA could be an "innocent victim" of the crisis.

[1](#)3. (C) Al-Khateeb agreed and said that the CPA "should not be touched" whether or not an arrest warrant is handed down. "It doesn't make sense for the NCP to abrogate the CPA unilaterally," he maintained. "This would threaten the stability of peace." Al-Khateeb, however, did raise the possibility that the Government of South Sudan (GoSS) might abrogate the CPA if an arrest warrant for Al-Bashir is forthcoming. "I haven't talked about it enough with the SPLM," he said, but I am sure they are asking themselves whether they will want to stick with an agreement that is tied to a "beleaguered" government in the North. An SPLM abrogation of the CPA is the more "imminent threat," claimed

Al-Khateeb.

14. (C) Despite public threats made by some representatives of the GoS, people in the GoS and the GoSS are acting "rationally" and "level-headed" about the possibility of an ICC disaster facing Al-Bashir, according to Al-Khateeb. "We hope to find a way out." He conjectured that the ICC might hand down an arrest warrant for Al-Bashir and encourage Sudan's own military and security forces to arrest him and bring him before the international court. "This (arrest Bashir) would be the cleanest way to do it" he said, "but it is also an invitation to a coup." Such a scenario could precipitate considerable violence and chaos, he added. It will be "something else", if they (the ICC) let it hang.

TELL US WHAT WE NEED TO DO

15. (C) The CDA explained that, as SE Williamson explained last month, the USG is open-minded regarding how it will vote if an Article 16 suspension is introduced in the UNSC. So far though, said Fernandez, we do not see reasons on the ground to vote in favor of a postponement. With no "live track" in progress, questioned Al-Khateeb, "how are we to convince the U.S.?" Right now we are only exchanging views, he remarked but in an informal, extra-official way. The impending ICC issue "warrants at least one or two very serious rounds of sitting down, making U.S. and Sudanese positions clear, and understanding the essence of each other's positions." Al-Khateeb suggested that such discussions take place in Khartoum at the level of the CDA and NCP negotiators such as himself. "We want to hear from you," said Al-Khateeb. We

KHARTOUM 00001390 002 OF 003

want to hear that x, y, and z need to be done on the ground in order to convince the USG not to block an ICC arrest-warrant suspension, he continued.

16. (C) CDA Fernandez urged Al-Khateeb that, while keeping Sudan's own interest in mind, the GoS should come up with a package of actions on its own it could take that might create conditions on the ground in which the USG would be interested. CDA Fernandez explained that the GoS has more or less three "baskets" in Darfur: (1) UNAMID deployment, (2) negotiations with the rebels on a political settlement, and (3) humanitarian issues. Urgent movement is needed on all these issues, regardless of the ICC but CDA suggested that because the outcomes of the first and second baskets are not entirely in the hands of the GoS, there is no reason at all for not seeing progress on the third "basket" - humanitarian progress in Darfur. "You should work on enhancing your relationship with IDPs and civil society in Darfur," argued the Charge, and act to improve humanitarian conditions on the ground. That you can do and you can do it now but we have seen almost no evidence of this. Al-Khateeb retorted, "Conditions" mean a lot of things to different people. The rebels can also cause conditions on the ground to go from bad to worse, particularly if they provoke GoS forces. Regardless of potential spoilers that cannot be controlled, Fernandez urged Al-Khateeb to urge his government to try and improve upon the humanitarian situation in Darfur.

17. (C) Al-Khateeb concluded by telling CDA Fernandez that he would like to see a USG-GoS "meeting that will have consequences" on the ICC issue. "We (the GoS) need to do something or our whole country will be sucked into a volatile situation," he said. We don't want to see that happen and we know that the US doesn't want to see that happen, he continued. Al-Khateeb stressed that time is of the essence in holding such discussions. "We shouldn't just hold a meeting just to hold a meeting, either," he remarked.

18. (C) The CDA said that the USG realizes that the GoS has a difficult task ahead of it with little time to accomplish what is required in order to escape the ICC row. He acknowledged that the U.S. elections may make it even more

difficult to please the USG, but stressed that the United States will remain very interested, concerned and engaged in Sudan no matter who is next in the White House.

¶9. (C) Al-Khateeb recalled that the CPA talks began during the "waning hours" of the Clinton administration. "Even though the U.S. is about to have its elections," said Al-Khateeb, "let us see if we can get the current USG administration to do something based on altruism." By doing something altruistic, he said, we can activate both of our interests whether political, economic, or strategic. Al-Khateeb contended that the Darfur rebels believe they have a cause because the international community has more or less given them a cause and convinced them to seek their power. "The US and Europe could have been more decisive" on dealing with the Darfur issue by being sympathetic to the complaints of the rebels on one hand, but encouraging them to sit down and talk (rather than fight or be uncooperative) on the other hand. This was especially true in 2006 when the Darfur Peace Agreement was signed.

NORTH AND SOUTH CLASH OVER FOREIGN EXCHANGE TRANSFERS

¶10. (SBU) Al-Khateeb again raised with CDA Fernandez an issue that he had raised in June - the failure Bank of Southern Sudan (BOSS) to transfer the totality of the South's foreign currency collection to the Bank of Sudan (BOS) in Khartoum (ref B). The FX that the BOSS is obliged to transfer to the BOS is "building up again," he said. In June, Al-Khateeb claimed this totaled US\$900 million. Although an agreement was reached to transfer those funds, and we expected the funds would be transferred, untransferred currency now amounts to \$1.125 billion, he said. Because of the BOSS' refusal to transfer its FX collections to the BOS, the BOS now will deduct an equal amount from foreign cash and local currency shipments due to Juba. "This may not be acceptable to them, but there is no other way to resolve the problem," claimed Al-Khateeb. Al-Khateeb offered to facilitate a meeting between CDA Fernandez and the Governor Sabir Hassan of the Bank of Sudan to discuss this sensitive issue. The

KHARTOUM 00001390 003 OF 003

CDA told Al-Khateeb he would be interested in hearing what the Governor of the BOS had to say.

¶11. (SBU) Econoff raised this same issue in a recent meeting with BOS Governor Hassan. According to Governor Hassan, under the CPA the BoSS is a branch of the BOS, not an independent entity, and under Sudan's unitary monetary system the BOSS is required to sell all FX exchanged in the south to the BOS. However, the GoSS Ministry of Finance has ordered the BOSS to hold on to FX collected in the South. This is a clear violation of the CPA, Hassan insisted.

¶12. (SBU) Hassan made clear that this is not an initiative of the BOSS, but being done on the orders of the southern Finance Ministry, which, Hassan said, simply does not seem to understand how Sudan's monetary system is supposed to work under the CPA and is choosing to treat FX exchanged in the South as a southern, not a national, resource. Hassan stated that BOS-BOSS relations, in fact, are excellent. Hassan confirmed that an agreement to transfer the funds had been reached, and that he thought the problem was resolved, but the GoSS Finance Ministry had since repeated its order to the BOSS to withhold the funds.

COMMENT

¶13. (C) While savvy GoS officials and NCP intellectuals, such as Sayed Al-Khateeb, understand the threat to the current regime of an ICC arrest warrant and are well aware that the GoS must act to convince the U.S. to forgo an Article 16 suspension, they are clearly frustrated that the USG has not provided the GoS with a clear idea that leads to a "get out

of jail free" card. That Al-Khateeb pleaded for substantive USG-Sudanese dialogue on what the GoS can do to wrestle its way out of the looming crisis is one signal that the GoS is desperate for direction on specifics of what the USG is looking for in Darfur. Other sources and Embassy reporting, however, point to the possibility that the regime's true inner circle (which does not include Al-Khateeb) has decided that the "ICC cure is worse than the disease" and will defy the ICC, make another effort to overthrow the Chadian Government and, at best, offer a continuation of the current painfully slow progress on UNAMID deployment and gradual improvement on humanitarian issues while attempting to rally the Sudanese people in Bashir's and the regime's favor.

FERNANDEZ